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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

TOM FORESE- Chairman
DOUG LITTLE
BOB BURNS
ANDY TOBIN
BOYD DUNN

APR 3 2017

DOCKETED BY

GB

IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE
COMPANY FOR A HEARING TO
DETERMINE THE FAIR VALUE OF THE
UTILITY PROPERTY OF THE COMPANY
FOR RATEMAKING PURPOSES, TO FIX
A JUST AND REASONABLE RATE OF
RETURN THEREON, AND TO APPROVE
RATE SCHEDULES DESIGNED TO
DEVELOP SUCH RETURN.

DOCKET NO. E-01345A-16-0036

DOCKET NO. E-01345A-16-0123

**WAL-MART STORES, INC.'S AND
SAM'S WEST, INC.'S NOTICE OF
FILING CHRIS HENDRIX'S
TESTIMONY IN SUPPORT OF
SETTLEMENT**

Wal-Mart Stores, Inc. and Sam's West, Inc. (collectively, "Wal-Mart"), hereby
provide notice of the filing of Chris Hendrix's Testimony in Support of Settlement.

Dated this 3rd day of April, 2017.

HIENTON & CURRY, P.L.L.C.

By

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

**TOM FORESE, CHAIRMAN
DOUG LITTLE
BOB BURNS
ANDY TOBIN
BOYD DUNN**

**IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR
A HEARING TO DETERMINE THE FAIR
VALUE OF THE UTILITY PROPERTY OF THE
COMPANY FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE RATE OF
RETURN THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP SUCH
RETURN**

DOCKET NO. E-01345A-16-0036

TESTIMONY IN SUPPORT OF SETTLEMENT

CHRIS HENDRIX

ON BEHALF OF

WAL-MART STORES, INC. AND SAM'S WEST, INC.

APRIL 3, 2017

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Introduction

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Chris Hendrix. My business address is 2001 SE 10th St., Bentonville, AR 72716-0550. I am employed by Wal-Mart Stores, Inc. as Director of Markets and Compliance.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?

A. I am testifying on behalf of Wal-Mart Stores, Inc. and Sam's West, Inc. (collectively, "Walmart").

Q. ARE YOU THE SAME CHRIS HENDRIX WHO TESTIFIED EARLIER IN THIS DOCKET?

A. Yes. My Witness Qualification Statement was included with my initial testimony as Exhibit CWH-1.

Purpose of Testimony

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support the Proposed Settlement Agreement ("Settlement") in this docket filed on Mar 27, 2017.

Summary of Recommendation

Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATION TO THE COMMISSION.

1 A. My recommendation to the Arizona Corporation Commission ("the Commission") is
2 that the Commission should approve the Settlement as filed. The Settlement is the
3 just and reasonable outcome of extensive arms-length negotiations conducted in good
4 faith between the parties in this docket. Additionally, the settlement process greatly
5 aids in administrative efficiency, which can reduce costs to all parties and ratepayers.

6
7 The fact that an issue is not addressed herein should not be construed as an
8 endorsement of any filed position.

9 **General Terms**

10 **Q. WHAT PRIMARY BENEFIT WILL THE CUSTOMERS OF ARIZONA**
11 **PUBLIC SERVICE COMPANY ("APS" OR "THE COMPANY") RECEIVE**
12 **FROM THE SETTLEMENT?**

13 A. The primary benefit that all customers, including commercial customers, will receive
14 from the settlement is that APS may not file a new base rate case until at least June 1,
15 2019. *See Settlement Recital 1.5(d)*. This provides for certainty in base rate levels for
16 APS and all customers. In addition, rate certainty aids in the development of cost
17 forecasting and budgeting. Furthermore, the stability provision provides for litigation
18 resource savings for customers who participate in the rate case process.

19
20 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

21 A. Yes.